



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture

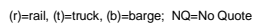
MAY 30, 2000

Class 1 Carriers Offer Plans For 2000 Harvest. During the recent National Grain and Feed Association (NGFA) Rail Transportation Symposium, six Class 1 rail carriers outlined their individual grain car service plans for the 2000 harvest. A brief summary provided by the NGFA shows the following: **Burlington Northern Santa Fe (BNSF)** representatives indicate that its program will remain essentially unchanged, as its fleet size of 29,000 cars for whole grains is believed to be adequate. BNSF will continue its SWAP program, possibly adding grain byproduct cars, and will focus on acquiring additional 286,000-pound cars, which currently comprise 42 percent of its fleet. **Canadian National/Illinois Central (CN/IC)** also indicates no significant changes for the coming harvest. CN/IC intends to continue its "super train" service, consisting of 100- to 105-car units from Iowa, Illinois, and Indiana to export points under guaranteed transit times and with customer commitments for 24-hour loading and 16-hour unloading. The railroad also offers "domestic efficiency" trains (75-car units, 12-month terms, and no volume commitments but with 15-hour loading and unloading commitments) and a car auction program. It has reportedly also started to charge a monetary penalty and demurrage on overloaded cars. **Canadian Pacific (CP)** will announce its 2000 harvest rail plans by mid-June or early July. CP currently offers protected equipment rate exchange (PERX), guaranteed freight, and tariff service. **CSX Transportation Co. (CSXT)** will announce its "peak load/seasonal pricing" plan shortly and is uncertain if such pricing will be applicable to grains and grain products. For the coming harvest, the railroad will offer 24-hour express load and unload contractual agreements and provide year-round lease arrangements for private cars. **Norfolk Southern Corp. (NS)** indicates no significant change in its allocation of 5,330 for agricultural service. NS plans to provide a 75-car unit train program with dedicated locomotives, as well as improved cycle times, and increase the use of shuttle trains and dedicated locomotives. **Union Pacific Railroad (UP)** will maintain its current methods of allocating cars. For the coming harvest, UP plans to consider providing additional flexibility in designating origin and destination points for its shuttle program. UP also intends to increase the number of shuttle trains during periods of peak demand; implement the use of a car supply "surge plan," including an increase in numbers in locomotives and train speeds; and improve its traffic flows. It currently owns 31,800 grain cars and has an additional 5,765 in storage. (*National Grain and Feed Association*)

Increasing Drought Concerns For West, Midwest, and South. Despite recent precipitation in Florida and the upper Midwest, drought conditions and the approaching summer continue to threaten much of the United States. "Rain is desperately needed," stated a recent Florida Agricultural Statistics Service report. The damaging effects of the dry weather are being seen in the cotton crops of the south and grain crops of the Midwest. According to Kevin Trenberth of the National Center for Atmospheric Research in Boulder, CO, "If conditions are dry at the end of May as we go into June, by the time we get to July, we're unlikely to get relief." It is a problem consisting of several factors, not the least of which has been the unpredictability of La Nina, a weather occurrence characterized by unusually cold ocean temperatures in the eastern and central Equatorial Pacific and known to divert storm tracks into Canada and away from the Midwest and Southern United States. The effects are the opposite of El Nino, characterized by unusually warm temperatures in the eastern and central Equatorial Pacific and causing unusually heavy rainfall in parts of the United States. Fortunately, meteorologists believe that La Nina appears to be diminishing after a 2-year stay. However, meteorologists also feel that if it does remain in place, storms will be pushed farther north, while precipitation, normally drawn from the Gulf of Mexico, will not be delivered to those areas in need. The potential for long-term drought appears to be especially significant in California, where scientists are monitoring changes caused by a Pacific decadal oscillation (PDO), the effects of which are reported to be more extensive and longer term than either El Nino or La Nina. Internationally, much of northern China is also experiencing a serious drought problem, threatening the summer grain harvest. Beijing is reporting the drought to be the worst in the past half century. (*Reuters 5/23, L.A. Times 5/24, AP 5/29, www.pmel.noaa.gov*)

Panama Canal Study Available. The U.S. Department of Agriculture is making available copies of a report entitled "*The Panama Canal in Transition: Implications for U.S. Agriculture*," analyzing the shipment of U.S. agricultural commodities and products through the Panama Canal. The report, focusing on 1989-98, provides vital information on how the canal affects U.S. agriculture, as well as a framework to assess potential policy changes resulting from the Panama Canal Treaties of 1977. As part of the Treaties, the United States turned over to the Government of the Republic of Panama on December 31, 1999, its control of the Panama Canal, which it financed, built, and maintained. In 1998, U.S. agricultural shipments accounted for 21 percent of the total canal cargo volume, 69 percent of all U.S. agricultural shipments, and 52 percent of the total U.S. waterborne export volume transported through the canal. U.S. grain shipments account for the majority of this volume, with approximately 34.6 million metric tons being transported through the canal in 1998. The canal is especially important to U.S. producers of corn and soybeans, in that it provides an efficient and effective transport route to foreign markets. Without the canal, it is estimated that U.S. exports of corn and soybeans could be 2 percent lower, which would, in turn, lower producer revenues by roughly \$303.6 million. The report describes the canal's development and importance, as well as transition issues of Panamanian control and the likely effects on U.S. agriculture. Copies of the report are available by e-mail at Camia.Robertson@usda.gov or by calling (202) 690-0331.

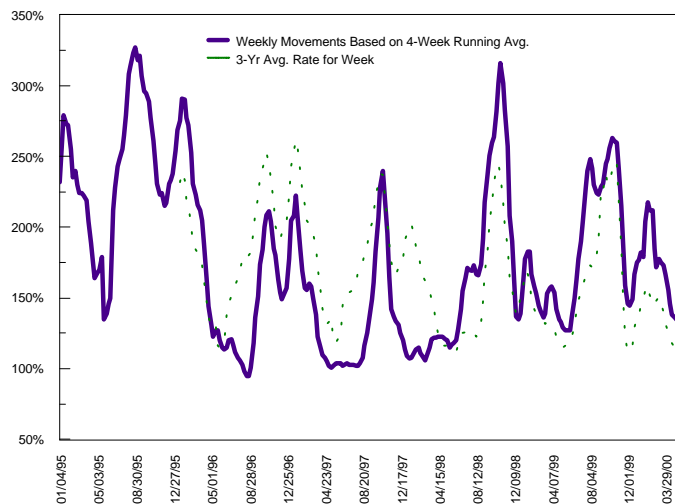
	Week Ago	Year Ago
05/26/00	05/19/00	05/28/99
3.0700	2.9900	2.8100
3.3250	3.3150	3.2075
4.1200	4.3000	na
2.8075	2.7625	2.5225
2.3350	2.4000	2.1950
5.3425	5.5450	4.6175



Inland Bids: 12% HRW, 14% HRS, #1 SRW, #1 DUR, #1 SWW, #2 Y Corn, #1 Y Soybeans
Export Bids: Ord. HRW, 14% HRS, #2 SRW, #2 DUR, #2 SWW, #2 Y Corn, #1 Y Soybeans

Sources...U.S. Inland: All (except ND) - *Market News Report*, AMS, USDA (www.usda.ams.gov)
ND - *Friday Local Cash Grain Prices*, AgWeek, Grand Forks, ND
U.S. Export: Corn & Soybean - *Export Grain Bids*, AMS, USDA
Wheat Bids - *Weekly Wheat Report*, U.S. Wheat Associates, Washington, D.C.
Canada: Bids in CAN\$, Canadian Wheat Board, Winnipeg (www.cwb.ca)

Index - Percent of Tariff Rate



The graph displays the average cost per car for two different trading scenarios over a three-year period. The Y-axis represents the average cost in dollars per car, with values ranging from \$0 to \$300 above the zero line and \$0 to \$100 below the zero line. The X-axis represents the delivery month and year, from September 1997 to November 2000. The BNSF-SWAP scenario (black line with square markers) shows a peak in late 1997, a sharp decline to a trough in early 1998, and another peak in late 1998. The UP-POOL scenario (purple line with circle markers) follows a similar pattern but at higher cost levels, with peaks in late 1997 and late 1998, and a trough in early 1998. Both scenarios show a general downward trend in costs after 1998, with some fluctuations.

Delivery Month-Year	BNSF-SWAP (\$/Car)	UP-POOL (\$/Car)
Sep-97	80	105
Oct-97	180	200
Nov-97	180	230
Dec-97	125	220
Jan-98	65	140
Feb-98	-10	70
Mar-98	-90	10
Apr-98	-130	-30
May-98	-150	-40
Jun-98	-90	0
Jul-98	55	50
Aug-98	105	105
Sep-98	120	155
Oct-98	165	185
Nov-98	110	140
Dec-98	35	65
Jan-99	-10	15
Feb-99	-30	10
Mar-99	-45	0
Apr-99	-50	-10
May-99	-45	-10
Jun-99	-10	10
Jul-99	25	55
Aug-99	65	100
Sep-99	70	100
Oct-99	10	30
Nov-99	-40	-10
Dec-99	-45	-20
Jan-00	-45	-30
Feb-00	-45	-40
Mar-00	-40	-50
Apr-00	-45	-40
May-00	-40	-30
Jun-00	-30	-10
Jul-00	-15	10
Aug-00	-10	30
Sep-00	10	40
Oct-00	10	20
Nov-00	10	20

Rail Car 'Auction' Offerings

Delivery for:	Jun-00		Aug-00	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	12,000	32%	12,000	74%
UP-GCAS	5,400	1%	5,400	1%
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Jun-00	Jul-00	Aug-00	Sep-00
BNSF-GF	\$(49)	\$(23)	\$(1)	\$16
UP-Pool	\$(31)	\$(11)	\$9	\$18

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Jul-00	Aug-00	Sep-00
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	no bid	no bid	no bid
GCAS/Region 2	no bid	no bid	no bid
GCAS/Region 4	no bid	no bid	no bid

Source: T&M/AMS/USDA. Data from www.bnsf.com, www.uprr.com,
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)**Southbound Barge Freight Nominal Values**

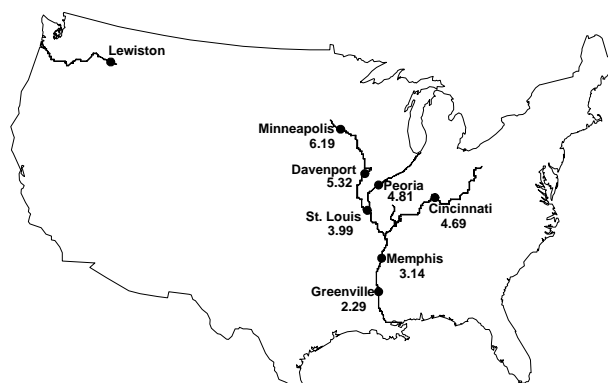
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate	
			Bid	Offer
5/30/00	Illinois River	wk 5/28	115	125
		wk 6/4	120	130
		Jun	135	145
	St. Louis	wk 5/28	110	120
		wk 6/4	110	125
		Jun	115	125
	Mid Miss.	wk 5/28	130	140
		wk 6/4	135	145
	Memphis-Cairo	wk 5/28	100	110

Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

Southbound Barge Freight Spot Rates

	5/24/00	5/17/00	June '00	Aug '00
Twin Cities	170	152	185	221
Mid-Mississippi	140	131	149	189
Illinois River	122	121	140	181
St. Louis	107	104	119	161
Lower Ohio	108	107	124	168
Cairo-Memphis	104	96	119	157

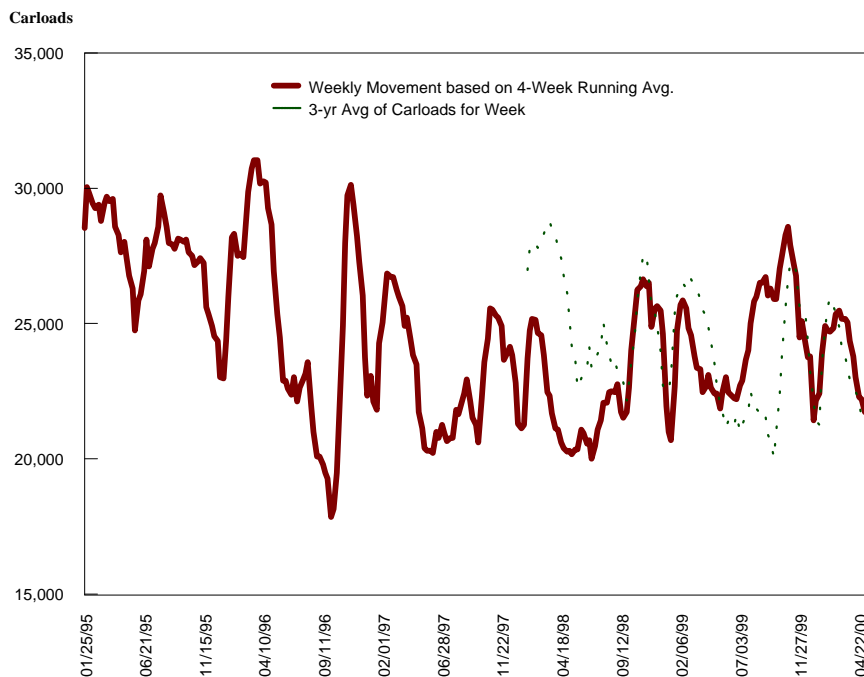
Source: Transportation & Marketing /AMS/USDA
nq=no quote**Barge Benchmark Tariff Rates
Est. 1976 - 'Tariff No. 7'**

Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
5/6/00	20,909
5/13/00	21,846
5/20/00	22,598
Year to Date - 2000	478,568
Year to Date - 1999	472,144
Total 1999	1,269,741

**1998 - 52 weeks

* 1997 - 53 weeks



Class I Rail Carrier Grain Car Bulletin

Carloads

		<u>East</u>			<u>West</u>			<u>Canada</u>	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
05/20/00	0	2,903	1,413	3,063	6,984	440	7,795	2,157	4,595
This Week Last Year	455	2,389	1,737	3,017	7,606	515	7,846	2,668	4,216
2000 YTD	0	57,354	35,885	58,880	159,906	11,822	154,721	55,737	89,429
1999 YTD	14,941	49,975	30,470	51,622	160,026	14,739	150,371	41,702	65,876
1999 Total	15,522	132,157	88,056	138,379	465,088	33,911	398,262	121,381	206,328
1998 Total	40,192	126,128	77,811	131,158	431,459	34,503	342,609	113,568	215,005

Source: Association of American Railroads

**1998 - 52 weeks

* 1997 - 53 weeks

Tariff Rail Rates for Unit Train Shipments

May 2000

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
05/05/00	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
05/05/00	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
05/05/00	46540	Wheat	Kansas City, MO	Houston, TX	\$1,550	\$17.09	\$0.47
05/05/00	43586	Wheat	Kansas City, MO	Portland, OR	\$4,133	\$45.56	\$1.24
05/05/00	43581	Wheat	Omaha, NE	Portland, OR	\$3,805	\$41.94	\$1.14
05/05/00	31040	Corn	Minneapolis, MN	Portland, OR	\$3,000	\$33.07	\$0.84
05/05/00	31035	Corn	Kansas City, MO	Portland, OR	\$2,600	\$28.66	\$0.73
05/05/00	31040	Corn	Omaha, NE	Portland, OR	\$2,615	\$28.82	\$0.73
05/05/00	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,880	\$31.75	\$0.86
05/05/00	61180	Soybean	Omaha, NE	Portland, OR	\$2,480	\$27.34	\$0.74
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

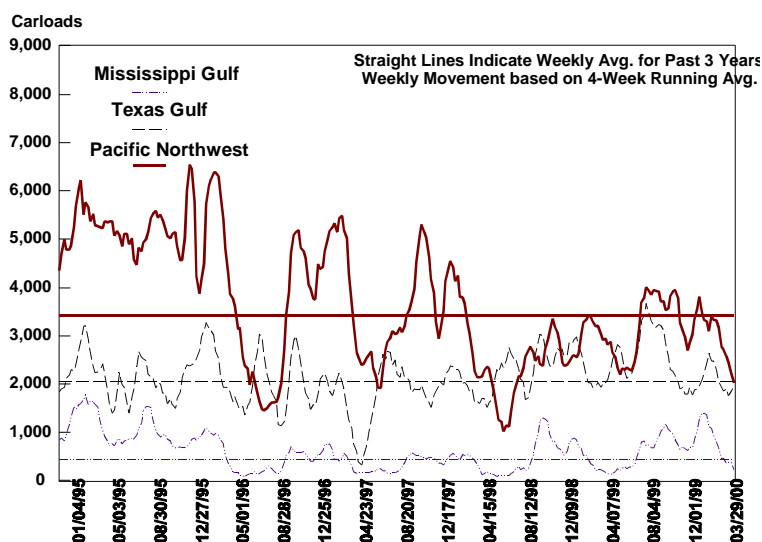
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port

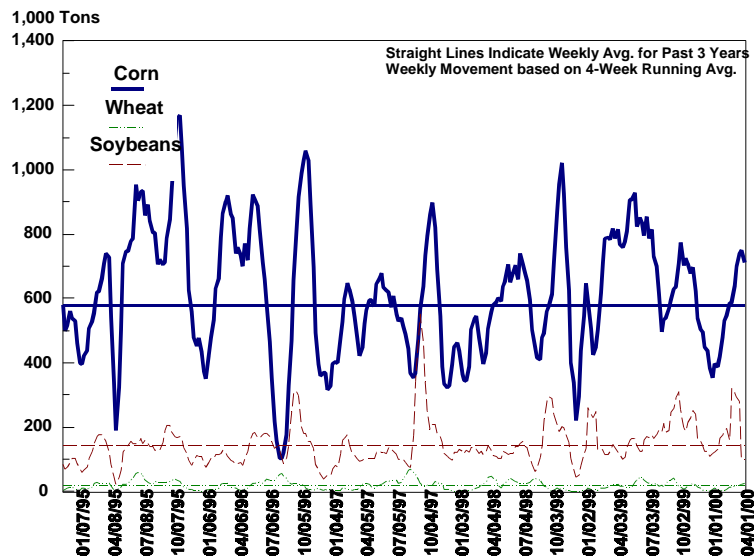
Carloads

	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
04/12/00	214	1,509	2,592	191
04/19/00	639	2,090	2,710	273
04/26/00	302	1,940	2,385	233
05/03/00	402	1,508	2,139	76
05/10/00	206	1,932	1,666	119
05/17/00	40*	2,518	1,895	50
YTD 2000	15,627	41,819	59,012	6,834
YTD 1999	9,199	47,240	58,269	6,822
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147

Source: Transportation & Marketing/AMS/USDA

Rail Deliveries to Port

(*) Incomplete Data

Barge Movements - Locks 27**Barge Grain Movements**

for week ending 5/20/00

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	432	9	35	476
Winfield, MO (L25)	505	11	71	610
Alton, IL (L26)	723	18	108	875
Granite City, IL (L27)	706	20	110	861
Illinois River (L8)	260	8	32	302
Ohio (L52)	31	0	6	42
Arkansas (L1)	0	27	1	28
2000 YTD	11,980	720	3,532	16,966
1999 YTD	13,120	931	2,799	18,222
Total 1999	36,711	2,883	9,771	51,887
Total 1998	31,001	2,401	8,674	45,134

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.
Source: U.S. Army Corp of Engineers

U.S. Export Balances (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
05/18/00	1,026	564	853	623	222	3,289	7,451	2,322	13,062
This Week Year Ago	1,274	433	1,062	400	175	3,344	7,882	2,169	13,395
<u>Cumulative Exports-Crop Year</u>									
99/00 YTD	10,258	4,114	5,423	3,814	936	24,544	34,970	22,207	81,721
98/99 YTD	10,017	2,396	6,256	5,268	970	24,906	33,825	17,713	76,444
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31**Select U.S. Port Regions - Gain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
05/25/00	284	59	0	103	653	169	161	24	12
2000 YTD	3,781	3,083	662	2,461	13,368	7,766	2,387	149	729
1999 YTD *	4,096	3,003	103	2,404	13,193	6,200	2,801	261	638
% of Last Year	35%	70%	102%	49%	43%	52%	33%	27%	52%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

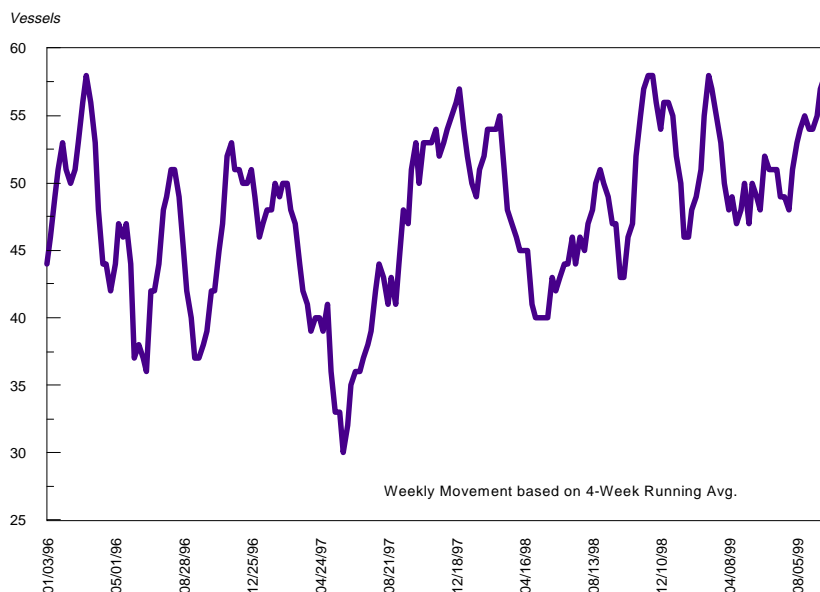
Source: Federal Grain Inspection Service * YTD-Year-to-Date (*98 = 53 week period)

Select Canadian Ports - Export Inspections

1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 5/25/00			
Vancouver	4,829	715	739
Prince Rupert	3,157	3	89
Prairie Direct	892	220	340
Thunder Bay	633	268	218
St. Lawrence	2,287	1,542	0
1999 YTD Exports	11,798	2,748	1,390
1998 YTD Exports	8,176	2,921	811
% of Last Year	144%	94%	171%

Source: Canadian Grains Commission
YTD-Year-to-Date Crop Year 8/1-7/31



**Gulf Region
Vessels Loaded
- Past 7 Days-**

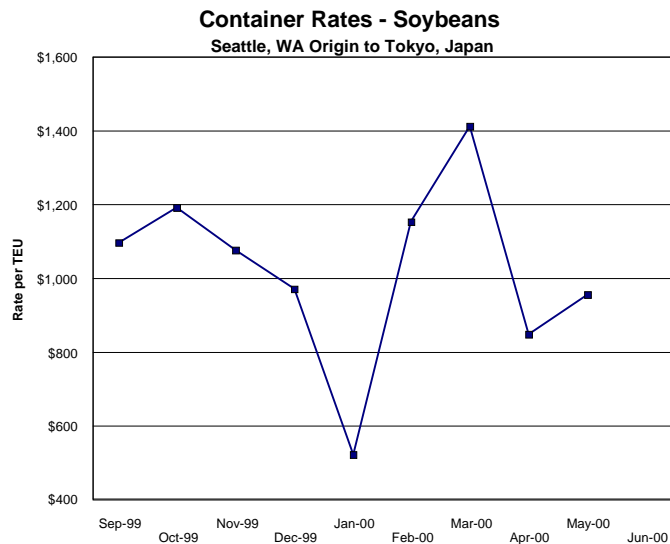
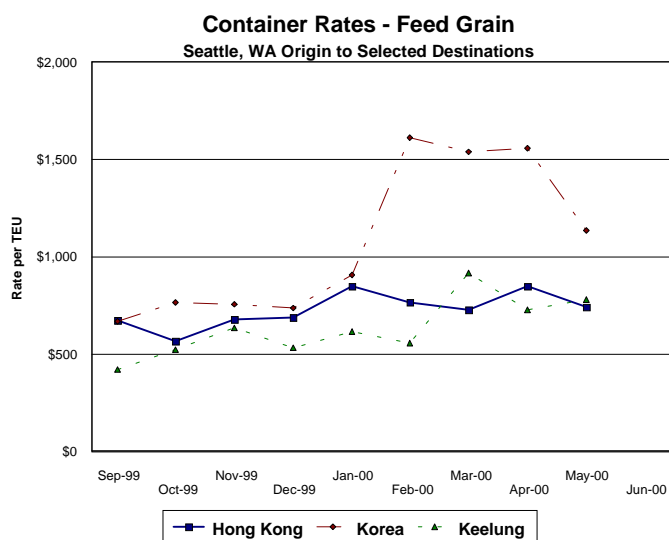
Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest			Vancouver, B.C.		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
05/18/00	23	46	63	10			12	12	2
05/25/00	27	42	58	10			10	11	0
1999 Range	(14..47)	(39..65)	(34..80)	(6..18)			(2..20)	(2..15)	(0..9)
1998 Range	(19..62)	(34..64)	(40..93)				(1..19)	(3..14)	(0..10)
1999 Avg	32	52	65				9	9	3
1998 Avg	40	48	61				10	9	3
1997 Avg	33	45	58						

Source: Transportation & Marketing /AMS/ USDA

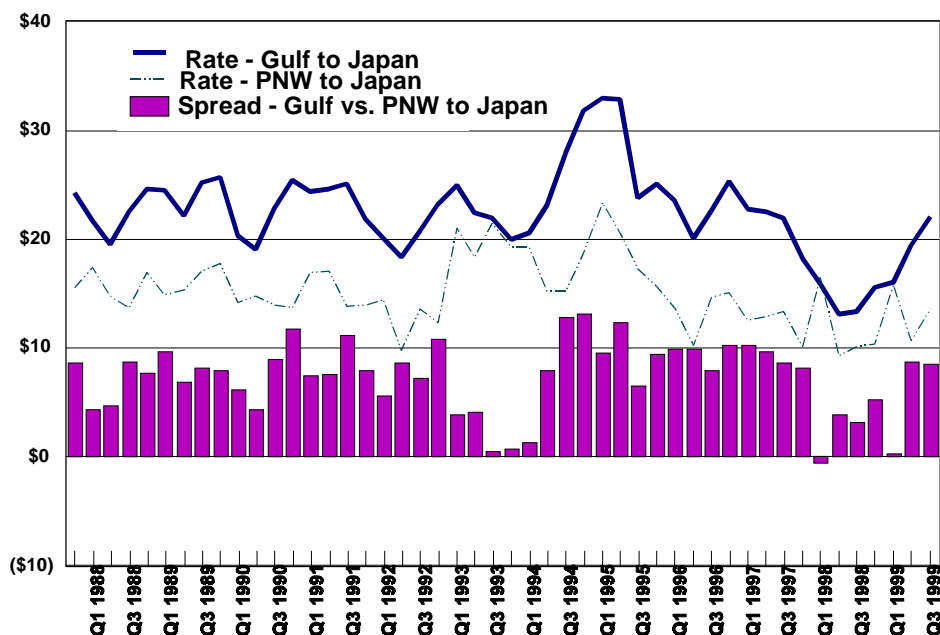
Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share



Source: Transportation & Marketing /AMS/USDA

US\$/Metric Ton



Quarterly Ocean Freight Rates

Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	2000 1 st Qtr	1999 1 st Qtr	% Change		2000 1 st Qtr	1999 1 st Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$19.46	\$13.17	48%	Japan	\$10.71	\$9.35	15%
Mexico	\$14.97	\$16.33	-8%	Red Sea/ Arabian Sea			
Venezuela	\$12.64	\$10.30	23%				
N. Europe	\$13.31	\$8.85	50%	Argentina to			
N. Africa	\$18.20	\$13.87	31%	N. Europe	\$13.94	\$12.15	15%
				Japan	\$23.00	\$16.21	42%

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates (Select Locations) - week ending 5/27/00

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Trinidad	Grains	May20/30	27,000	\$12.00
Gulf	Colombia	Heavy Grain	May22/25	20,000	\$17.60
Gulf	Panama/Colombia	Corn/Meals	Prompt	20,800	\$19.00
Gulf	Egypt	Heavy Grain	Jun10/20	55,000	\$15.50
Gulf	Algeria	Wheat	May25/30	22,700	\$21.75
Gulf	Japan	Heavy Grain	Jul20/30	54,000	\$21.85
Gulf	China	Heavy Grain	May30/Jun5	55,000	\$22.75
Parana River	Tunisia	Grains	Jun1/5	25,000	\$26.30
Parana River	Morocco	Wheat	Prompt	25,000	\$13.00
Rouen (France)	Morocco	Wheat	Prompt	13,300	\$13.00

Source: Maritime Research Inc.; rates shown are for long ton (2,240 lbs.=one long ton), F.O.B., except where otherwise indicated; op=option